



**Monday, February 12, 2018
MAYOR AND COUNCIL
MEETING NO. 04-18
ROCKVILLE, MARYLAND**

THE HONORABLE MAYOR AND COUNCIL PRESIDING

| Attendee Name | Title | Status |
|------------------------|---------------|---------------|
| Bridget Donnell Newton | Mayor | Present |
| Beryl L. Feinberg | Councilmember | Present |
| Virginia D. Onley | Councilmember | Present |
| Julie Palakovich Carr | Councilmember | Present |
| Mark Pierzchala | Councilmember | Present |

Staff Present: City Clerk/Director of Council Operations, Kathleen Conway, City Manager Robert DiSpirito and City Attorney Debra Daniel

1. Convene

The Mayor and Council convened in a Work Session at 7:00 p.m. on Monday February 12, 2018 in the Mayor and Council Chambers, City Hall, 111 Maryland Avenue, Rockville, Maryland.

2. Pledge of Allegiance

Mayor Newton led the Pledge of Allegiance.

3. Work Session - Topic 1

A. Presentation and Work Session on RHE Fireside Park Apartments' Plans to Refinance Its Existing Loans and Obtain Additional Financing for Modernizing the Property

Additional Staff Present: Acting Director of Community Planning and Development Services Andy Gunning, Chief of Housing Programs Asmara Habte, Chief of Zoning Jim Wasilak, Deputy City Manager Jenny Kimball

Other Attendees: Rockville Housing Enterprises (RHE) Executive Director Jessica Anderson, Ndevco LLC Consultant Ray Nix, The Hampstead Group Consultants Greg Gossard and Patrick Harper, and RHE Boardmembers Ed Duffy, James Hedrick and Steve Marr

Work Session Purpose: Discuss the RHE Fireside Park Apartments refinance and modernization request and project.

Discussion topics included: ADA upgrades; water line capacity; finance plan for the property modernization; property rehabilitation accomplishments since 2012; preliminary project scope of work; maintenance of rental rates during construction; effect of vacancy rates on long-term viability of the project; deferred development fees; fee waivers; increase in long term debt service; loan vs. grant for the project, the recent fire at Fireside Park Apartments,

and the possibility of adding sprinklers to the buildings as they are renovated.

Information to be provided to the Mayor and Council: additional information regarding the swimming pool upgrades over the past two years; HVAC status update; Physical Needs Assessment Report (PNA) of the property (to be provided within two weeks); possibility of creating additional affordable housing stock; confirmation of the ultimate source for the Housing Opportunities Fund; and additional options regarding a loan vs. grant of \$500,000 from the City's Housing Opportunity Fund for the project.

4. Work Session - Topic 2

Discussion on Parkland Acquisition Initiative

Discussion of Parkland Acquisition Options

Additional Staff Present: Acting Director of Community Planning and Development Services Andy Gunning, Chief of Zoning Jim Wasilak and Director of Recreation and Parks Tim Chesnutt

Purpose of Work Session: Discuss the concept of parkland acquisition and recreation facilities for additional capacity and obtain the Mayor and Council's feedback, suggestions and direction for next steps.

Discussion topics included: current parks and facilities in the City; gaps in the city-wide Park System; the challenges in keeping up with the demand for new parks and recreation facilities; the need for a tool going forward to finance parkland acquisition(s); parkland dedication or fee-in-lieu by developers; impact fees for new residential units and new non-residential units; parkland fee-in-lieu vs. impact fee; study to better understand the current population needs for parks, ball parks, Community Centers, etc.

Staff will provide the following information: definitions and requirements for the amount of parkland per number of units in St. Paul, MN and Austin, TX; monetary figures on the cost of providing a park on Rockville Pike; and whether or not the City would collect enough impact fees to pay for land acquisition.

5. Reconsideration of the February 5, 2018 Motion to Adopt an Ordinance to Amend Ordinance #07-17 to Appropriate Funds and Levy Taxes for Fiscal Year 2018 (Budget Amendment #2) and Possible Vote to Adopt an Ordinance to Amend Ordinance #07-17 to Appropriate Funds and Levy Taxes for Fiscal Year 2018 (Budget Amendment #2)

Additional Staff Present: Director of Finance Gavin Cohen

The Mayor and Council discussed the reconsideration of the following February 5, 2018 motion:

Adoption of an Ordinance to Amend Ordinance #07-17 to Appropriate Funds and Levy Taxes for Fiscal Year 2018 (Budget Amendment #2) and Possible Vote to Adopt an Ordinance to Amend Ordinance #07-17 to Appropriate Funds and Levy Taxes for Fiscal Year 2018 (Budget Amendment #2)

Councilmember Pierzchala expressed concern about the budget amendment, the lack of budget flexibility and the doubling of the cost estimate for the Swim Center project. Mr. Pierzchala also noted that he believes doubling the cost of a project warrants a separate discussion and that City Staff should have provided the Mayor and Council with options given the project's significant cost increase.

Director of Finance Gavin Cohen described options and was concerned with reversing the entire amendment. The amendment does not include an appropriation for the Swim Center and that was intentional because the budget is coming out this Friday. The amendment was to transfer funds.

Councilmember Feinberg expressed concern about the budget process, indicating the FY19 budget has not been reviewed and this budget amendment asks for decisions about the FY19 budget prematurely.

Staff will present full details about the Swim Center project as part of the FY19 budget process.

The Mayor and Council completed their discussion; no actions were taken.

6. Discussion on the proposed Maryland General Assembly's Higher Education Degree and Job Certification Without Debt Act of 2018

Additional Staff Present: Assistant to the City Manager Linda Moran

Councilmember Feinberg noted that at the time of her request, the proposed Higher Education Degree without Debt Act of 2018 Fiscal Note was not available. Since receiving and reviewing the Fiscal Note, Councilmember Feinberg asked that her request be withdrawn.

Staff will follow the proposed Higher Education Degree without Debt Act of 2018 and keep the Mayor and Council informed.

7. Adjournment at 9:47 p.m.

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| RESULT: | APPROVED [UNANIMOUS] |
| MOVER: | Julie Palakovich Carr, Councilmember |
| SECONDER: | Beryl L. Feinberg, Councilmember |
| IN FAVOR: | Mayor Newton, Councilmember Feinberg, Councilmember Onley, Councilmember Palakovich Carr, Councilmember Pierzchala |

Minutes Approved: April 30, 2018

Attest: 